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CANADA - NOVA SCOTIA
Crop Insurance

ANNUAL REPORT

1989 - 1990

THE
NOVA SCOTIA
CROP & LIVESTOCK
INSURANCE COMMISSION

Agriculture Canada

Province of Nova Scotia

92-00595/

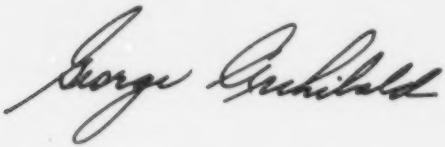
His Honour
The Honourable Lloyd R. Crouse, P.C.
Lieutenant-Governor of Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the year ended March 31, 1990.

I am, Your Honour,

Yours very truly,



George Archibald
Minister of Agriculture
and Marketing

The Honourable George Archibald
Minister of Agriculture and Marketing

Sir:

Presented herewith is the twenty-first Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ended March 31, 1990.

Respectfully submitted,
Nova Scotia Crop and Livestock
Insurance Commission

P.A. van Oostrum
Chairman

D.G. MacNeil
Manager

CONTENTS

Program Background 9

Objectives and Responsibilities 9

Financial Participation 10

Insurance Plans in Force 10

Features of the Crop Insurance Plans 11

Statistical Summaries 12

Acknowledgements 17

Conclusion 17

Commission Officers 18

Auditor's Report 19

PROGRAM BACKGROUND

The Nova Scotia Crop and Livestock Insurance Commission has administered the Nova Scotia Crop Insurance programs since first implemented in 1969. The Commission provides coverage to Nova Scotia farmers for 18 crops and administers a livestock insurance program and the Tripartite Stabilization program for red meats, apples and honey. The latter program was added to the Commission's responsibility in February 1989.

OBJECTIVES AND RESPONSIBILITIES

The primary objective of the Crop and Livestock Insurance Commission is to make available to Nova Scotia farmers a crop and livestock insurance program that will be of assistance in years of crop losses or in the event of dairy livestock losses, thus providing a stabilizing effect for the farmer and the agricultural community.

Under the Crop and Livestock Insurance Act, the Commission is responsible for the administration of crop and livestock insurance plans in Nova Scotia and the administration of the Crop and Livestock Insurance Fund and engages employees to provide professional, technical, or other assistance to or on behalf of the Commission.

FINANCIAL PARTICIPATION

ADMINISTRATION

The administration of the Crop and Livestock Insurance program is the responsibility of the Commission under the authority of the Minister of Agriculture and Marketing. It is subject to the provisions of the Nova Scotia Crop and Livestock Insurance Act and the Crop Insurance Agreement between the governments of Nova Scotia and Canada.

The government of Nova Scotia contributes all of the administration costs, totalling $359,953 for the 1989-90 fiscal year, plus the reinsurance premium, amounting to $40,294 for the fiscal year.

PREMIUM

The government of Canada provides financial assistance to the Canada-Nova Scotia Crop Insurance Program by contributing 50 per cent of the total premium required each year. The federal government's contribution totalled approximately $275,196 for 1989-90.

INSURANCE PLANS IN FORCE

1. Spring Grain — oats, barley, wheat and mixed grain
2. Winter Grain — rye, wheat
3. Tree Fruit — apples, pears, tree protection
4. Tobacco
5. Corn — silage, grain
6. Peas & Beans — processing
7. Lowbush Blueberries
8. Strawberries
9. Forage
10. Dairy Livestock
11. Soybeans
12. Potatoes — processing

FEATURES OF THE CROP INSURANCE PLANS

Designated Perils

Wind, frost, drought, disease, excessive moisture, hail, insect infestation, and wildlife.

Type of Insurance

Each insured crop is guaranteed a specific yield based upon the past yield records of each insured. When no records are available a bench mark will be used: either provincial averages or industry averages.

Quality Guarantee

Losses due to low quality may be taken into consideration for the following plans: Tree Fruit and Tobacco.

Premium Discount Surcharge

The base premium rate shall be adjusted by giving a discount when indemnities paid are less than premium paid or by adding a surcharge when indemnities paid exceed premium.

STATISTICAL SUMMARY
FOR THE PERIOD ENDING
March 31, 1990

CROP SUMMARY

Plan Name	No. Growers	No. Acres	Total Coverage	Total Premium	Total Indemnity
Spring Grain	166	3,896	$ 445,731	$ 39,484	$ 8,967
Tree Fruit	107	5,439	4,913,936	172,188	305,073
Tobacco	11	442	1,468,253	36,224	475,055
Peas & Beans	33	2,857	1,075,155	116,657	49,639
Forage 89/90	23	430	19,585	2,722	—
Corn	40	2,169	408,364	44,475	9,569
Blueberries	130	4,069	1,203,427	61,827	8,184
Strawberries	15	71	104,092	8,070	—
Winter Grain 89/90	19	1,273	389,226	26,315	—
Soybeans	4	133	20,968	2,481	1,089
Potatoes	9	411	384,257	35,826	17,555
	557	21,190	10,432,994	546,269	875,131

LIVESTOCK SUMMARY

	No. Producers	No. Animals	Total Coverage	Total Premium	Total Indemnity
	317	26,221	$27,715,852	$35,339	$10,130

SUMMARY OF CROP INSURANCE PLANS
(1969-1989 Crop Years Inclusive)

Plan	No. Years	No. Claims	Total Premium	Claims Paid	Loss Ratio
Spring Grain	21	883	$ 594,444	$ 463,658	$0.78
Winter Grain	21*	154	283,002	127,303	0.45
Tree Fruit	20	287	1,464,561	1,805,402	1.23
Tree Rider	6	3	50,472	11,805	.23
Tobacco	19	21	576,653	561,296	.97
Corn	19	349	674,294	696,588	1.03
Peas & Beans	18	380	1,782,026	1,668,220	0.94
Blueberries	17	228	500,874	204,588	0.41
Strawberries	16	74	122,497	109,072	0.89
Forage	12*	96	41,727	35,416	0.85
Soybeans	4	12	9,221	13,149	1.43
Potatoes	3	6	174,989	52,569	0.30
		2,493	6,274,760	5,749,066	0.92

*Does not include summary of 1989-1990 because of claims pending after March 31, 1990.

OPERATIONS SUMMARY OF CROP INSURANCE YEARS
(1969-1989 Fiscal Years Inclusive: April 1-March 31)

Crop Years	No. Contracts	Total Coverage	Total Premium	Claims Paid	Loss Ratio
1989-1990	604	$10,432,994.00	$546,267.00	$ 875,132.00	1.60
1988-1989	533	10,004,489.00	530,810.00	106,632.00	0.20
1987-1988	597	10,340,565.00	538,940.00	158,780.00	0.29
1986-1987	730	10,179,980.00	495,952.00	1,391,647.00	2.81
1985-1986	730	9,825,538.00	449,233.00	506,714.00	1.33
1984-1985	740	9,671,713.00	447,710.00	130,249.00	0.29
1983-1984	775	8,772,994.00	441,213.00	443,804.00	1.00
1982-1983	760	6,675,736.00	449,121.00	125,953.00	0.28
1981-1982	751	5,851,383.00	401,675.00	222,576.00	0.55
1980-1981	666	4,367,861.00	312,813.00	199,141.00	0.63
1979-1980	695	4,007,142.00	297,463.00	302,169.00	1.01
1978-1979	781	3,752,752.00	287,315.00	140,318.00	0.48
1977-1978	770	3,453,011.00	261,308.00	252,676.00	0.96
1976-1977	601	2,785,882.00	224,369.00	90,866.00	0.40
1975-1976	563	2,285,874.00	198,925.00	168,151.00	0.84
1974-1975	560	2,029,282.00	164,811.00	234,230.00	1.42
1973-1974	492	1,747,875.00	94,735.00	246,874.00	2.60
1972-1973	392	1,562,590.00	79,343.00	75,826.00	0.95
1971-1972	347	766,303.00	31,789.00	61,022.00	1.91
1970-1971	346	882,644.00	31,937.00	32,643.00	1.02
1969-1970	309	337,423.00	17,700.00	11,449.00	0.64

Since the program's implementation in 1969, for every dollar collected in premium from the farmer and the federal government's contribution, $0.92 has been paid out in claims.

DAIRY LIVESTOCK INSURANCE CLAIMS SUMMARY
(April 1, 1989 - March 31, 1990)

Insurable Diseases	No. Claim Animals	Total Claims Paid
1. Shipping fever	10	$10,130.00
2. Reportable diseases	0	0
3. Infectious bovine rhinotracheitis	0	0

CLAIM SUMMARY RE: DAIRY LIVESTOCK INSURANCE PLAN
(April 1, 1978-March 31, 1990)

Disease	No. Claim Animals	Total Claims Paid
1. Acute mastitis*	106	$104,291.40
2. Shipping fever	123	147,192.46
3. Infectious bovine rhinotracheitis	23	22,591.50
4. Brucellosis	2	810.70

*This peril is no longer covered.

SUMMARY OF DAIRY LIVESTOCK INSURANCE PLAN
(April 1, 1978-March 31, 1990)

Years	No. Insured Herds	No. Insured Cattle	Total Premium	Claims Paid	Loss Ratio
1989-1990	317	26,221	$35,339.52	$10,130.00	0.29
1988-1989	313	25,913	35,485.64	7,639.50	0.21
1987-1988	305	25,410	39,104.26	3,200.00	0.08
1986-1987	297	24,538	38,936.11	17,593.05	0.45
1985-1986	269	22,662	39,106.13	36,775.90	0.94
1984-1985	219	18,263	42,030.80	14,459.00	0.34
1983-1984	209	18,037	43,820.40	3,400.00	0.77
1982-1983	205	17,253	42,423.00	21,133.16	0.50
1981-1982	249	20,480	53,326.15	16,120.35	0.30
1980-1981	284	22,817	77,919.61	53,089.50	0.68
1979-1980	403	29,491	86,731.88	60,501.10	0.70
1978-1979	352	26,121	59,198.14	31,744.50	0.54
		TOTAL	$593,421.64	$275,786.06	0.46

Since the program was implemented in 1978, for every dollar collected from the insured farmer, $0.46 has been paid out in claims.

ACKNOWLEDGEMENTS

The Nova Scotia Crop and Livestock Insurance Commission expresses its appreciation to the following for the cooperation and assistance they have provided:

- Agriculture Canada — Crop Insurance Division
- N.S. Department of Agriculture & Marketing
- Other provincial crop insurance agencies
- The Commission's field and clerical staff

Over the past 21 years, the Commission has received cooperation from farmers and commodity groups in Nova Scotia. At this time the Commission wishes to recognize and express appreciation for the assistance received.

At this time, the Commission recognizes the contribution made by four of its former Board Members whose appointments expired during the past year. Those members were:

J.D. Johnson
W. Dykstra
W. McCurdy
W. Swetnam

CONCLUSION

The 1989 crop year was typical in many respects to other crop years. There were times when it was very difficult to project the amount of claims to be paid, especially for the apple crop, which was significantly reduced from the previous year.

Those tobacco growers who were dealt a severe blow when a hail, wind and rain storm hit on July 27 were fortunate to have crop insurance coverage. There were approximately 200 acres of tobacco destroyed. The tobacco crop insurance plan had a loss ratio of 0.16 at the beginning of the year; however, due to the storm and amount of claims paid, the loss ratio at the end of the year was 0.97. Once again it has been proven that crop losses can happen beyond the control of the grower.

COMMISSION OFFICERS

BOARD MEMBERS

P. van Oostrum, Chairman — Canard, Kings County
J. Goit, Vice-Chairman — Dept. of Agriculture and Marketing
W. McCurdy, Member — Old Barns, Colchester County
D. Dickinson, Member — Southampton, Cumberland County
D. Gunn, Member — Scotsburn, Pictou County
W. Swetnam, Member — Sheffield Mills, Kings County

PRINCIPAL OFFICERS

D.G. MacNeil — Manager
K.G. Bartlett — Secretary
B.A. Pratt — Accounting Clerk
B.J. Nelson — Clerk
B.M. Mahoney — Supervisor, Field Services
R.F. Saunders — Regional Field Representative
W.M. Cole — Field Representative

AUDITOR

Auditor General — Province of Nova Scotia

SOLICITOR

J.R.M. Akerman, Q.C.

FIELD STAFF

K. Morton
H. Bosveld

AUDITOR'S REPORT

To the Minister of Agriculture and Marketing; and

To the Chairman and Members of the
Nova Scotia Crop and Livestock
Insurance Commission

I have examined the balance sheet of the Nova Scotia Crop and Livestock Insurance Commission as at March 31, 1990, and the statement of revenues and expenses and the statement of continuity of the Crop and Livestock Insurance Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

O.P. Cormier, F.C.A.
Auditor General

May 4, 1990
Halifax, Nova Scotia

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION

BALANCE SHEET

As at March 31, 1990

ASSETS

	1990	1989
CURRENT		
Cash	$ 3,497	$ 22,590
Short term investments	3,276,326	3,096,994
Accounts receivable — premiums	13,658	3,318
Accrued interest receivable	19,248	104,424
	$3,312,729	$3,227,326

LIABILITIES AND FUND BALANCES

CURRENT		
Unearned premiums	$ 35,617	$ 38,140
Insurees' deposits	1,039	3,640
Provision for payment of unsettled indemnities	30,000	2,636
	66,656	44,416
LONG TERM		
Advance from Province of Nova Scotia	230,000	230,000
CROP AND LIVESTOCK INSURANCE FUND		
Crop insurance	2,534,313	2,555,382
Livestock insurance	481,760	397,528
	3,016,073	2,952,910
	$3,312,729	$3,227,326

APPROVED ON BEHALF OF THE COMMISSION

P. A. van Bortsum
Chairman

Daniel Dickinson
Member

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION

STATEMENT OF CONTINUITY
CROP AND LIVESTOCK INSURANCE FUND

For the Year Ended March 31, 1990

	Crop Insurance	Livestock Insurance	Totals 1990	Totals 1989
BALANCE, beginning of year	$2,555,382	$397,528	$2,952,910	$2,223,792
Add: Net income (loss)	(21,069)	84,232	63,163	729,118
BALANCE, end of year	$2,534,313	$481,760	$3,016,073	$2,952,910

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION

STATEMENT OF REVENUES AND EXPENSES

For the Year Ended March 31, 1990

	Crop Insurance	Livestock Insurance	Totals 1990	Totals 1989
REVENUES				
Insurance premiums (Schedule A)	$ 550,392	$ 35,119	$ 585,511	$571,424
Interest income	331,347	57,243	388,590	271,758
Miscellaneous	—	—	—	206
	881,739	92,362	974,101	843,388
EXPENSES				
Indemnity claims (Schedule A)	902,808	8,130	910,938	114,270
Administrative expenses (Schedule B)	338,356	21,597	359,953	276,790
	1,241,164	29,727	1,270,891	391,060
Income (loss) before Government contribution	(359,425)	62,635	(296,790)	452,328
Contribution by the Province of Nova Scotia (Note 3)	338,356	21,597	359,953	276,790
NET INCOME (LOSS)	$ (21,069)	$ 84,232	$ 63,163	$729,118

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION

NOTES TO FINANCIAL STATEMENTS

March 31, 1990

1. AUTHORITY

The Nova Scotia Crop and Livestock Insurance Commission was established pursuant to Section 2(1) of the Nova Scotia Crop and Livestock Insurance Act. The function of the Commission is to administer plans of crop and livestock insurance, and conduct programs relating to these plans.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles modified by the policy of charging furniture and equipment purchases to expense in the year of acquisition.

3. GOVERNMENT CONTRIBUTIONS

The Department of Agriculture and Marketing pays the administrative expenses of the Commission. This amount is shown as a contribution by the Province of Nova Scotia on the statement of revenues and expenses.

4. CROP RE-INSURANCE FUND

The Province is party to an agreement with the Government of Canada, whereby, the Province makes advances to a fund administered by the Government of Canada called the Crop Re-Insurance Fund of Canada for Nova Scotia. The purpose of this Fund is to assist the Province of Nova Scotia when there is a requirement by the Province to make advances to the Commission for the payment of crop insurance indemnities. The balance of the non-interest bearing advances on hand in this Fund belonging to the Province as at March 31, 1990 was $556,992. Transactions concerning this Fund are recorded by the Province and are not reflected in the accounting records of the Commission.

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
PREMIUM REVENUE AND INDEMNITY CLAIMS
(Schedule A)
For the Year Ended March 31, 1990

	Premium Revenue				Indemnity Claims	
	Farmer	Federal	1990	1989	1990	1989
CROP INSURANCE						
Spring grain	$ 19,742	$ 19,742	$ 39,484	$ 36,508	$ 8,332	$ 14,824
Winter grain	14,934	14,934	29,868	26,484	19,311	(1,112)
Tree fruit	86,626	86,626	173,252	169,078	305,073	5,069
Tobacco	18,112	18,112	36,224	37,596	475,055	—
Corn	22,238	22,238	44,476	45,462	9,569	2,283
Peas & beans	58,329	58,329	116,658	106,218	49,639	75,731
Blueberries	30,913	30,913	61,826	37,524	8,185	783
Strawberries	4,035	4,035	8,070	6,316	--	—
Forage	1,114	1,114	2,228	340	9,000	756
Soy beans	1,240	1,240	2,480	2,022	1,089	—
Potatoes	17,913	17,913	35,826	66,228	17,555	6,297
	275,196	275,196	550,392	533,776	902,808	104,631
LIVESTOCK INSURANCE						
Dairy	35,119	—	35,119	37,648	8,130	9,639
Total	$310,315	$275,196	$585,511	$571,424	$910,938	$114,270

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION

ADMINISTRATIVE EXPENSES

(Schedule B)

For the Year Ended March 31, 1990

	1990	1989
Salaries and wages	$269,800	$200,776
Travel	36,740	26,957
Professional and special services	3,900	4,150
Supplies and services	23,481	19,714
Other	26,032	25,193
	$359,953	$276,790